IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON PORTLAND DIVISION

ROSS DRESS FOR LESS, INC., a Delaware Corporation,

Plaintiff,

٧.

No. 3:14-cv-01971-SB

MAKARIOS-OREGON, LLC, an Oregon limited liability company; and WALKER PLACE, LLC, an Oregon limited liability company,

Defendants.

DEPOSITION OF

JOHN HASKINS

Wednesday, October 21, 2015 (Volume II, pages 124 - 192)

REPORTED BY: DONIELLE DEL CARLO, CSR 10476

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right now, but let me just get some clarity. In your last deposition -- well, as you're aware, there are two buildings involved in this litigation. One is the building owned by my client, Walker Place, LLC, which is the 620 building located at 620 Southwest Fifth Avenue here in Portland, Oregon.

We've called it by various names, including the "620 Building," the "Failing Building," and, I think, in your prior deposition you referred to it as the "Brandon Building."

A Correct.

Q Okay. And then there's a separate building owned by the Makarios group which is known as the Richmond Building.

A I believe I --

Q Correct?

A Correct. I believe I referred to that as Calomiris.

Q Yeah. That's right. The Calomiris
Building or the tall and the short building.
Brandon has -- 620 building is the tall building,
Calomiris is the short building, correct?

A Correct.

Q Okay. If you could just -- I just want to set the stage again to get us started. I understand

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- from review -- well, let me ask you this: Prior to your deposition today, have you reviewed any additional documents to prepare for your deposition today?
- Α I looked at exhibits for today that were -- I guess with counsel.
- Okay. And part of the materials I sent to counsel I also provided a mini deposition transcript of your prior deposition testimony. Did you have a chance to read your prior dep -- your prior testimony before today?
- 12 Α I did.
 - Q Okay. And did you actually read it or did you actually review it?
- 15 Α I did.
 - Okay. To get us started, I understand Q that you were involved with the construction and build out of the -- of these two buildings with regard to Ross' use of them back in '96; is that right? Is that correct?
 - Α Correct.
 - Q If you could just set the stage for us again, what was your title and role with regard to that -- to that build out?
 - My title was Director of Construction. Α

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role was to oversee both the store design and construction of the Ross store. Which included both buildings.

0 Okay. And it's my understanding from your prior deposition that you didn't have any role or knowledge of the acquisition process of the buildings; is that correct?

That's correct.

0 Okay. I want to focus on a couple of things in particular to the -- well, actually, let me ask you this: In your prior deposition -- at the beginning of your deposition when you were asked about this you indicated, I could read it to you, that you were more familiar with what you called the Brandon Building. Do you recall that -- that testimony?

Α That I was more familiar?

Q Yes.

> Α I don't recall that or the context of it.

Q Let me ask you --

Α If you could read it to me then maybe I could --

Are you familiar with issues pertaining to Q the Failing Building than you are with the Calomiris Building?

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- A I'm not sure I understand what issues you mean.
 - Q Well, let's -- well, let me ask you this: When you call it the Brandon Building, I take it you're referring to Brandon Anderson, one of the principals in Walker Place, LLC, correct?
 - A Correct.
 - Q But you refer to him as Brandon. In what context did you come to understand that Brandon Anderson owned this property through his LLC?
- A I think it's just by reference, and that's what I remember.
 - Q Did you ever meet Mr. Anderson?
- A I don't recall. I don't think I've ever met him, no.
 - Q Okay. Well, then, let's -- let's go back to 1996, and just generally what was your understanding of the scope of work Ross undertook to make those -- those two buildings ready for its intended use?
 - A The scope of work would have been to conform to basically the Ross store plan, via design and construction, and get that to opening for operation.
 - Q Okay. And your role on this particular

141 1 MS. REICHMUTH: Objection. Vague and 2 ambiguous. 3 THE WITNESS: Are you talking about from the prior use? 4 5 MS. REICHMUTH: I'm talking about the 6 condition of the basement and the staircase as it 7 existed prior to Ross' undertaking its build out. 8 THE WITNESS: Right. I believe I recall 9 that there was a staircase and a stairwell. 10 Prior --11 MS. REICHMUTH: Hang on. Our lights just 12 went out here. 13 THE WITNESS: You just gotta move. 14 THE VIDEOGRAPHER: You gotta move. 15 MS. REICHMUTH: Apparently, we were too still. 16 17 THE WITNESS: Sorry about that. Could 18 you --19 MS. REICHMUTH: Do you want the question 20 read back maybe? 21 THE WITNESS: Yes. 22 (Record read as follows: Question: A staircase that allows access between the basement --23 a basement and a first floor, you wouldn't expect just to have an open cavity in the floor, correct? You would expect to see some railings and other 24 things around that hole and that cavity to allow 25 people to safely access and use it, correct?)

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THE WITNESS: So if it were in use and it was allowed to be accessible you would expect railings, etc. that it was for a prior use.

BY MR. PITT:

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Q Do you recall if those railings were there at the time Ross acquired ownership of the building?

Or, I mean, acquired a leasehold right to occupy those spaces in the building?

A That's possible.

Q Okay. And well, let me just ask you to put it in your own words. What -- what did Ross do with that staircase in relationship to its -- to its build out of the Failing Building?

MS. REICHMUTH: Objection. Asked and answered.

THE WITNESS: I believe Ross left the staircase in place and infilled the floor slab for general retail use.

BY MR. PITT:

Q Okay. And prior to Ross undertaking that build out, do you have any awareness one way or the other what that -- what that basement space was used for prior to Ross acquiring interest in it?

A I believe it was a retail use, mercantile, J.J. Newberry.

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BY MR. PITT:

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Q Okay. And did Ross -- let me ask -- did Ross utilize that space in the basement for a retail or mercantile use?

MS. REICHMUTH: Objection. Vague and ambiguous.

THE WITNESS: Which part of the basement?
BY MR. PITT:

Q Well, let me ask you this way: As part of its build out, did Ross have an intention to utilize the basement space within the footprint of the Failing Building for mercantile or retail use?

MS. REICHMUTH: Objection. Vague and ambiguous.

THE WITNESS: We do have a retail use in the basement where the operation of the Ross basement use ends in its relationship to the Lease line or whatever. I mean, I'm not sure. There was a portion there that we are not currently using.

Q Well, Ross is using a portion of the basement for storage on the Richmond side of the building, correct?

A I believe it's storage, office use, administrative.

Q Okay. And on the Failing side of the

MR. PITT: Yes. If we could mark it as -- was it 85? 86?

MS. REICHMUTH: I think we're on 85.

(Exhibit 85 marked

for identification.)

MR. EDELSON: Now we have 82, 86 because the Addendum and the Lease. The Lease should have been 84, the Addendum to the Lease 85.

MR. PITT: I think the Addendum was already in there.

MS. REICHMUTH: Yeah. The Addendum is No. 9.

BY MR. PITT:

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Q Yeah. If you could take a quick look at this, Mr. Haskins, I would appreciate it, and tell me what this is to your understanding.

A Well, in reviewing the documents, with the exception of three pages that seem to be co-mingled, the majority of this is the original sign exhibits and documents for doing signage for the original store.

Q Let's focus on the first page. This is the way the document came to us. Or I believe it came to us. But primarily I'm concerned with and want to look at the first page.

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- A Okay. It's very small.
- Q Yeah. To your understanding, what does this first page represent?
 - A It appears to be the store layout for the basement.
 - Q Okay. And on the side there it's got Ross. It says "Ross Store Remodel." Do you see that?
- A I see it.

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- Q Right above the A -- A 1.0. Do you see that on the right-hand side of the document?
- 12 A I see that.
- Q Then next to that is the name of Musil,
- 14 Perkowitz & Ruth. Do you see that?
- 15 A I see that.
- 16 Q Who are Musil, Perkowitz & Ruth?
- A I believe Musil, Perkowitz & Ruth were one of the architects involved as an architect of record with this project for Ross.
- Q Okay. And this first page represents the build out plans for the basement space on the Failing Building, at least in part, correct?
- A It shows a layout. I don't know if it's a build out quite. I can't see any of these

25 references.

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148 1 Q Okay. Well, a layout, right? 2 Α Correct. 3 Q A layout in terms of intended use? That's my belief. Α 4 5 Q Okay. There's another document, Counsel, 6 that I sent down that is just two pages, and I 7 actually blow -- I actually blow up one of the 8 notations on the exhibit the witness was just looking at. If you could pull that out of the 9 10 stack, please. 11 MS. REICHMUTH: I'm sorry. Could you 12 repeat that? 13 MR. PITT: Yeah. So there's a two-page document I sent down which has -- which has a blow 14 15 up of one of the notations on that first page of the 16 Exhibit 85 the witness was just looking at. 17 MS. REICHMUTH: Okay. MR. PITT: And then another copy of that 18 19 exhibit. Of that first page. Sorry. 20 MS. REICHMUTH: I think this is what 21 you're --22 MR. PITT: Let me see. Let me see. 23 Could I see that again? 24 MS. REICHMUTH: Sure. 25 MR. PITT: I believe so. That's right.

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That's correct.

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Q I'm going to represent to you that -- that the document behind the first page comes right out of the city records regarding Ross' plans pertaining to the Failing Building and its use of that space. And if you look at it it looks identical, and correct me if I'm wrong, to the document that is Bates numbered ROS_0002888.

A Okay.

Q Do you see that, sir?

A I see it.

Q Does it look identical to you, the back page, the original Ross document? Or the previous Ross document I just showed you?

MS. REICHMUTH: Objection.

Mischaracterizes the documents. It looks like there's some small -- small differences. I don't know if it's just a -- because of the reproduction of the document.

MR. PITT: Okay. Fair enough.

Q Let me ask it this way: I will represent to you that the document from behind came from the city records. But more importantly, the front page of this document, that I'd like to identify as Exhibit No. 86. I have blown up the notation that

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     exists on both of -- both these documents, I mean,
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     both Exhibit 86, as well as the first page of
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     Exhibit 85.
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               If you could read the notation that's in
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     the middle of the page on Exhibit 86.
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                          (Exhibit 86 marked
                          for identification.)
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               THE WITNESS: Okay. Would you repeat
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     that, please?
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     BY MR. PITT:
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          Q
               Yeah. The first page of Exhibit 86 I have
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     blown up the notation that exists on Exhibit 85, the
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     first page of Exhibit 85. Can you read that
     notation?
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               This space vacant, no occupancy, no
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     storage, separate permit required for occupancy.
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          Q
               Okay. Is that a fair -- well, let me ask
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     you this: Does that comport with your understanding
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     of Ross' intended use of the space?
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               MS. REICHMUTH: Objection. Vague and
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     ambiguous.
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     BY MR. PITT:
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          Q
               Well, let me ask it this way: As part of
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     the build out that you oversaw, is it your
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understanding that Ross did not attempt to use the

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1 shaded area on Exhibit 85 for occupancy, for 2 storage, and that the space was to be vacant? 3 Α I don't believe it was Ross' intent Yes. to use it. We have access to it. I believe there's 4 5 egress from it. 6 0 Okay. And I understand your testimony 7 that prior to that it is your understanding that 8 J.J. Newberrys utilized that space for a mercantile 9 and retail use, correct? 10 MS. REICHMUTH: Objection. Vague and ambiguous, calls for speculation. 11 12 THE WITNESS: That was my understanding. 13 That's my recollection. BY MR. PITT: 14 15 Q Okay. Do you recall doing any analysis or evaluation of what Ross' intended use of that 16 17 basement space may have on its future uses? 18 MS. REICHMUTH: I'm sorry. Could you read 19 back that question? 20 (Record read as follows: Question: Do you recall doing any analysis or evaluation of what Ross' intended use of that basement space may 21 have on its future uses?) 22 23 MS. REICHMUTH: Objection. Vague and

THE WITNESS: In '96?

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ambiguous, calls for speculation.

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MR. PITT: Yes. In '96.

THE WITNESS: I have no specific recollection. I would believe that we would have looked -- Ross would have looked at all of the space for both buildings in contemplating the final layouts.

MR. PITT: Okay. Let me -- maybe I -- maybe I could ask you more directly.

Q Do you know if Ross evaluated or considered whether or not its decision to fill in the floor and remove that -- to remove a portion of the grand staircase and fill in that section of the floor and to submit plans showing no occupancy of that space would effectively prevent a mercantile or retail use of that space in the future?

MS. REICHMUTH: Objection. Vague and ambiguous, calls for speculation and an expert opinion.

THE WITNESS: Yeah. I would have no knowledge of the future aspect.

BY MR. PITT:

Q Okay. So is it fair to say that in overseeing this project, as you testified you did, that was something you did not consider?

MS. REICHMUTH: Objection. Misstates

153 1 testimony, vague and ambiguous. 2 THE WITNESS: No. I believe I said I 3 didn't contemplate future use for the store design. 4 BY MR. PITT: 5 What about future use of the space after 0 6 Ross leaves the space at the conclusion of its 7 lease? 8 Α In 1996? 9 MS. REICHMUTH: Objection. Objection. 10 Vague and ambiguous. 11 MR. PITT: Correct. 12 THE WITNESS: I have no recollection of 13 thinking that far ahead. 14 BY MR. PITT: 15 0 So if I represent to you that occupancy in 16 the basement has effectively been abandoned, do you 17 have any reason to not believe that to be true? 18 MS. REICHMUTH: Objection. Vague and 19 ambiguous, calls for a legal conclusion, lacks 20 foundation. 21 THE WITNESS: I wouldn't have knowledge of 22 what the jurisdictional requirements are for 23 occupancy, particularly in the future. 24 BY MR. PITT: 25 Q And that's a fair point. So at the Okay.

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time of the build out did you, or do you have 1 2 knowledge of anyone from Ross conducting a 3 jurisdictional analysis of what effect Ross' build 4 out may have on a future use of this building and 5 space? MS. REICHMUTH: Objection. Vague and 6 7 ambiguous and lacks foundation, asked and answered. 8 THE WITNESS: I have no recollection of 9 the future use. I would have assumed it's -- it was retail, Ross is retail, and if Ross contemplated a 10 future use it would be retail. 11 BY MR. PITT: 12 13 Q But the notation on the plans submitted to 14 the city say this space vacant, no occupancy, no 15 storage, separate permit required for occupancy. 16 You see that, correct?

A I do.

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Q So it's fair to say Ross did not intend to utilize that space in terms of storage, retail, mercantile, correct?

MS. REICHMUTH: Objection. Vague and ambiguous.

THE WITNESS: Only at that point in time.

This was at the time of a construction document. It wouldn't speak to the future.

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BY MR. PITT:
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Q Okay. In terms of your build out though, the grand staircase was removed and the first floors filled in, correct?

MS. REICHMUTH: Objection. Misstates testimony.

THE WITNESS: I believe I've said the staircase is still there.

BY MR. PITT:

Q Okay. Without quibbling over whether it's all there or partially there, the cavity where the staircase used to allow access from the first and second -- the first floor, the basement is filled in, it's not accessible. Fair enough?

A Correct.

Q So if Ross wanted to put a mercantile or retail use down there, they would have to do some pretty substantial alterations, correct?

MS. REICHMUTH: Objection. Vague and ambiguous, calls for speculation.

THE WITNESS: I don't know what you mean by "substantial."

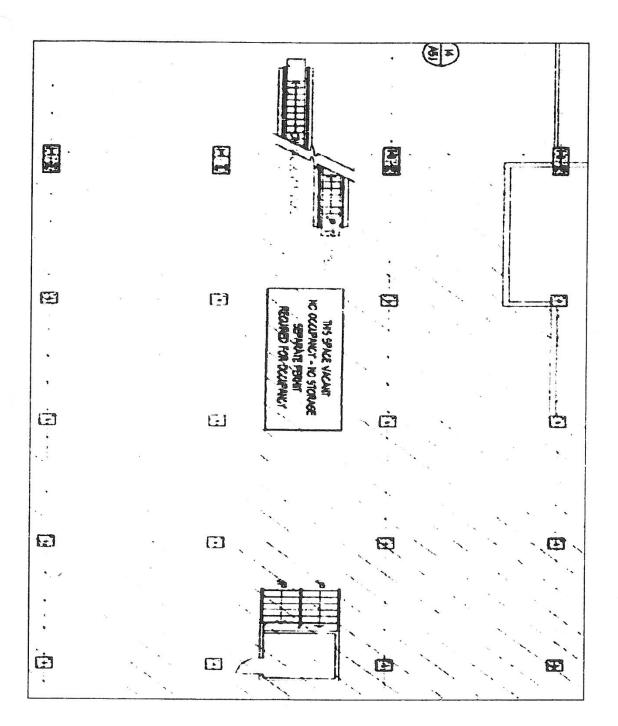
23 | BY MR. PITT:

Q Well, they'd have to replace the grand staircase and remove the infill from the floor and

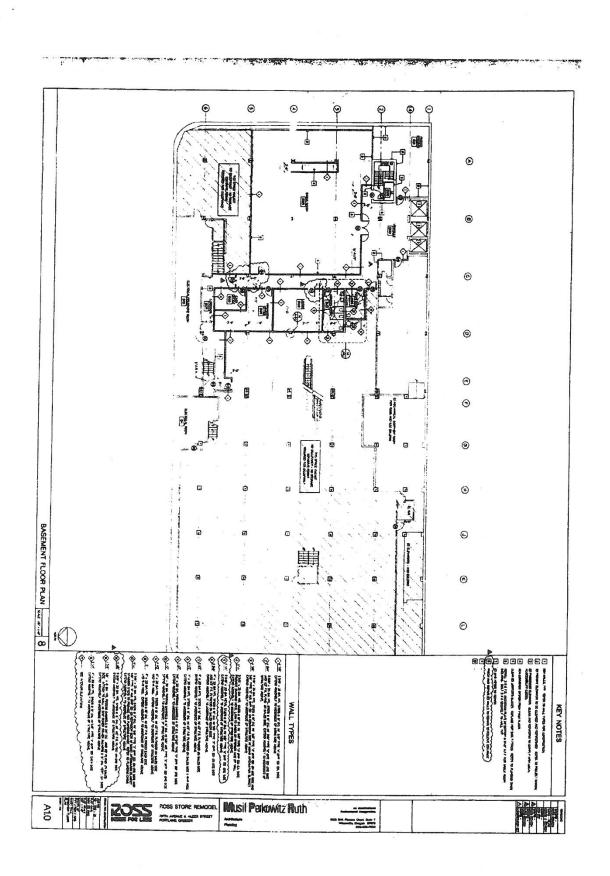
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156 do whatever else is required to reestablish 1 2 occupancy down there, correct? 3 MS. REICHMUTH: Objection. 4 MR. PITT: For mercantile or retail use. 5 MS. REICHMUTH: Objection. Lacks foundation, calls for an expert opinion. 6 7 THE WITNESS: Yeah. I'm not sure what the 8 requirement would be today, but the staircase is 9 there, so it would be just probably a question of 10 removing the infill and using the stairs. BY MR. PITT: 11 12 Q And building up railings and appropriate 13 safety apparatus so you could actually use it as a 14 staircase, correct? 15 MS. REICHMUTH: Objection. BY MR. PITT: 16 17 0 It's not just an open cavity in the floor, 18 sir, correct? 19 MS. REICHMUTH: Objection. Vague and 20 ambiguous. THE WITNESS: When? 21 BY MR. PITT: 22 23 Well, when -- prior to Ross conducting it's build out in 1996, is it your testimony that 24 25 the grand staircase between the first floor in the

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CERTIFICATE OF REPORTER

I, DONIELLE DEL CARLO, a Certified Shorthand Reporter, hereby certify that the witness in the foregoing deposition was by me duly sworn to tell the truth, the whole truth, and nothing but the truth in the within-entitled cause:

That said deposition was taken down in shorthand by me, a disinterested person at the time and place therein stated, and that the testimony of the said witness was thereafter reduced to typewriting, by computer, under my direction and supervision;

That before completion of the deposition, review of the transcript [} was [x] was not requested. If requested, any changes made by the deponent (and provided to the reporter) during the period allowed are appended hereto.

I further certify that I am not of counsel or attorney for either or any of the parties to the said deposition, nor in any way interested in the event of this cause, and that I am not related to any of the parties thereto.

> November 3, 2015 DATED:

DONIELLE DEL CARLO, CSR No. 10476

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